The bankers and financial institution specialists targeted for the training represent a broad cross-section of those who service SME exporters on a day-to-day basis. The live training seminar will incorporate a presentation, video clips and slides and will be followed by a panel discussion. The panel will, at a minimum, be comprised of a banking trade specialist, a representative from EDC and a Trade Commissioner such that a full range of export services can be deployed.

The Export Finance/Assistance Seminar will begin in late fall 1994 or early in the new year 1995 and will be delivered over a three-four month period to between 45-55 centres across Canada.

In addition, a Cross-Training Task Force (see Annex III), chaired by the ICB will examine ways in which all related parties can gain further understanding of each other's area of expertise to meet the ultimate objective of providing better service to exporting SMEs.

SHORT-TERM EXPORTER FINANCING

The Objective

A lack of adequate financing for SME exporters, both pre- and post-shipment, had been identified as a significant impediment to business growth.

For background purposes, a business uses an operating line of credit to bridge the financing gap it experiences between the time payments to suppliers need to be made and the time that payments from customers are received following a sale.

A bank typically sets an upper credit limit for each operating line of credit, guided by two parameters. One is an absolute ceiling level, e.g. $500,000, which cannot be exceeded. The other is a 'margining' formula which provides that the line of credit cannot exceed a certain percentage, e.g. 75%, of an exporter's total *acceptable* accounts receivable. The accounts receivable which typically cannot be accepted for value are those which are overdue as well as, frequently, non-Canadian receivables.